

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

December 15, 2010

GARY C. REBLIN
VICE PRESIDENT, SHIPPING SERVICES

JAMES P. COCHRANE
VICE PRESIDENT, PRODUCT VISIBILITY AND OPERATIONS PERFORMANCE

PRANAB M. SHAH
VICE PRESIDENT AND MANAGING DIRECTOR, GLOBAL BUSINESS

SUBJECT: Audit Report – Express Mail Guarantees
(Report Number FF-AR-11-004)

This report presents the results of our audit of Express Mail® guarantees (Project Number 10BG004FF000). The objective of our audit was to determine if it is prudent business practice for the U.S. Postal Service to guarantee Express Mail Service Zone Improvement Plan (ZIP) Codes and American territories. In addition, we determined whether or not the Postal Service is monitoring Express Mail Coverage



The Evolution of Reporting

Tara Linne
Director, Communications
U.S. Postal Service
Office of Inspector General

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UNITED STATES POSTAL SERVICE

Office of Inspector General
Semiannual Report to Congress

April 1 — September 30, 2011

January 21, 2014

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

Readiness for Package Growth – Processing Capacity

Report Number NO-AR-14-002

HIGHLIGHTS

WHAT THE OIG FOUND:
The Postal Service has sufficient machine capacity to process all non-peak period package volume. It can process an average of about 29 million packages daily, which is more than sufficient to process the 24 million packages it receives. During the December peak period, the Postal Service augments its machine capacity with manual processing. The Postal Service used this to avoid having



Methodology	Description	Weights
1 Paid Loss Development	Forecasting the future payments that will be associated with injuries of various ages, by quarter, up to 40 quarters from the occurrence of injury.	5%-100%
2 Frequency and Severity	Forecasting the number of claims relative to the number of hours worked in a given quarter of injury and the average payment per claim.	0%-31%
3 Expected Unpaid	Forecasting based on the estimated unpaid amounts at 40 quarters plus what has been paid to date.	0%-32%
4 Trended Severity	Applying a selected severity trend rate to compensation and medical claims separately.	0%-32%

* Weights vary by injury age, from 1-40 quarters.
Source: OIG and USPS Workers' Compensation – Model Manual





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Office of Inspector General | United States Postal Service

Audit Report

Employee Issues at the Dickinson, North Dakota, Post Office

Report Number HR-AR-18-008 | August 10, 2018



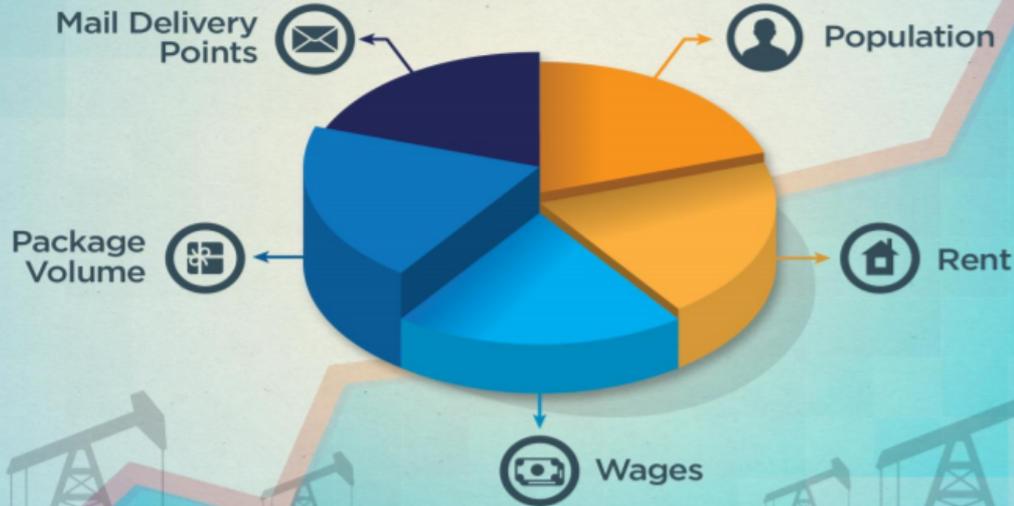


Challenges Attracting and Retaining Employees

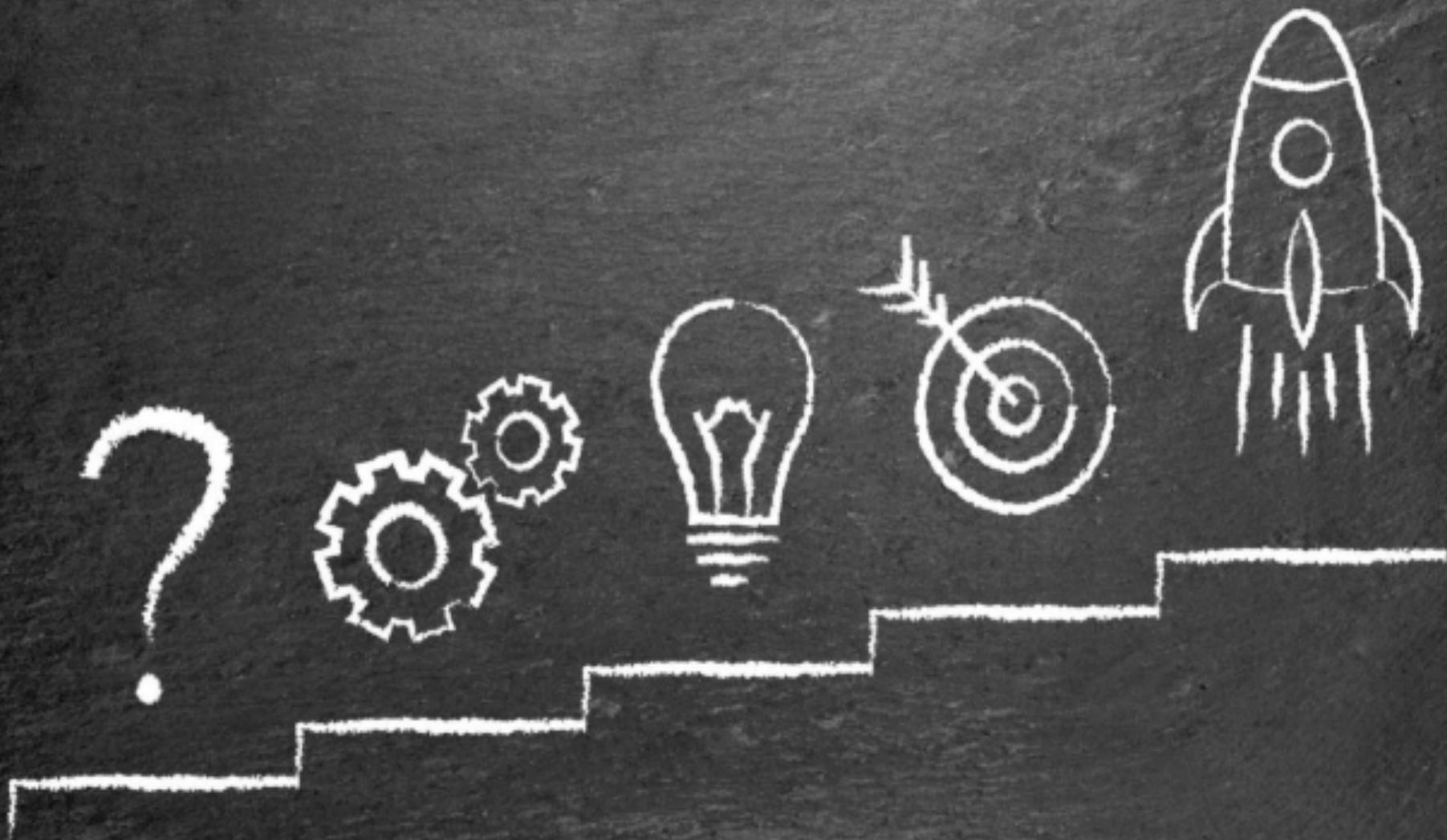


FY 06 - FY 12

The region experienced significant increases during the Bakken Oil Boom in:

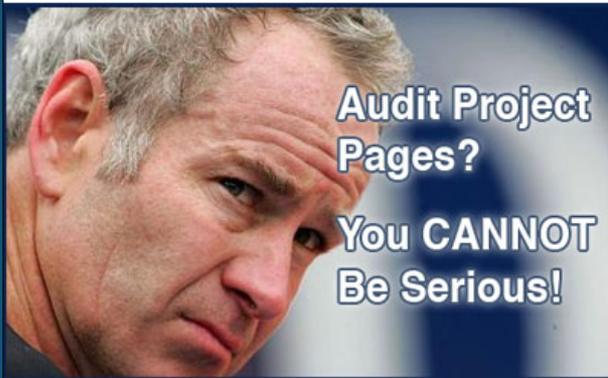


Other employment opportunities from the Bakken Oil Boom also affected the Postal Service's ability to attract and retain employees in the area.





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Postal Service Absenteeism

HM-AR-10-001

TERRY J. WILSON
VICE PRESIDENT, AREA OPERATIONS
SOUTHEAST AREA



January 11, 2010

LUCINE M. WILLIS
DIRECTOR, AUDIT OPERATIONS

Subject: Draft Audit Report – Postal Service Absenteeism (Report Number HM-MA-09-DRAFT)

Thank you for the opportunity to review and comment on the subject draft audit report.

We are unable to agree or disagree with the conclusions or monetary amounts identified in the subject audit, as most of this was supported by interviews of randomly selected employees. However, we do agree with the recommendations outlined in the draft audit.

Recommendation #1:

Area Vice President require District Managers to provide refresher training to supervisors to ensure they are aware of unscheduled leave policies and procedures and the importance of following them.

Recommendation #2:

Area Vice President require District Managers to establish and implement internal controls to evaluate supervisors' compliance with unscheduled leave policies and procedures (e.g. performance measures or periodic management reviews).

Recommendation #3:

Area Vice President require District Managers to require supervisors and labor relations specialists to use the Enterprise Resource Management System to record an employee's inability to meet position requirements, the corrective actions taken and grievance data.

Management Response to all 3 recommendations:

Management agrees with all the recommendations and has initiated actions to accomplish them via the letter attached from the Area Vice President to District Managers dated January 8, 2010.

We do not feel any portion of this report is exempt from disclosure under the FOIA.

If you have any questions, please contact Jeanne McAfee, Area Accounting Manager, at 901-747-7546.

Terry J. Wilson

Attachment

225 N Main Street, Suite 100
Memphis, TN 38103-0100
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Fax: 901-747-7444



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Appendix C: Management's Comments

SUGAN M. BROWNELL
Vice President, Service Measurement



December 6, 2012

JUDITH LEONHARDT

SUBJECT: Response to Draft Audit Report – Federal Express Air Transportation Container Weights (Report Number NO-MA-13-DRAFT)

Thank you for providing the Postal Service with the opportunity to review and comment on the aforementioned draft report. The report addresses air container weights for mail transported under the Federal Express (FedEx) agreement with the United States Postal Service (USPS).

Based on our review of the report it appears that the Office of Inspector General (OIG) has concluded that the gross contract container weights in the agreement are less than industry standard weights and less than those offered to other customers by FedEx. Further, the OIG suggests that if the USPS negotiates these industry weights into current and future contracts priced by the cubic foot, some financial savings would accrue to USPS.

Issues regarding the weight restrictions in the FedEx contracts have been the subject of previous audits, reports and discussion for several years. In order to achieve a balanced response reflecting standard business practices regarding achievable container weights in day-to-day operations, the USPS has taken the following actions:

1. Reviewed the industry standard container weights versus typical daily operating container weights.
2. Conducted fairly extensive discussions with FedEx regarding day-to-day achievable container weights and stowed density.
3. Performed analyses of postal volumes, weights and average container stowed density.

Industry Standard Container Weights versus Typical Daily Operating Container Weights: Based on our review of the OIG report, it is clear that the OIG adopted the "Manufacturers Volumetric Capacity" in its calculations. When this capacity is filled to the breaking point of the container, it represents the maximum weight that the container can structurally support (aka "Unit Load Device (ULD) Maximum Gross Weight"). Although when viewed alone, a container can support ULD Maximum Gross Weight, the aircraft cannot meet its range-payload mission if all containers on the aircraft are loaded in such a fashion and in many cases, it could not get off the ground.

Discussions with FedEx: Based on our discussions with FedEx they plan for a "Maximum Revenue Payload", which is the maximum cargo weight in each container that the aircraft can safely lift and meet its mission requirements. Loading more cargo than this weight in all containers (... even though the cargo might fit into the containers) means carrying less fuel.

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 Report Number: NO-MA-14-007  Type: [Audit Reports](#)  Category: [Innovation](#)  0 Comments

2014



Background

Since 2005, the U.S. Postal Service has been providing Highway Contract Route (HCR) contractors with Voyager fleet transaction cards to purchase fuel for HCRs. The Postal Service has spent \$5.1 billion on fuel purchases of 1.6 billion gallons for the HCR Voyager Card Program, since its start in fiscal year (FY) 2005 through FY 2013. It is a complex program, consisting of over 400 contractors and more than 4,000 contracts using over 12,000 active Voyager cards.

Our objective was to assess the HCR Voyager Card Program (summarizing our prior work in this area) and identify viable fuel management program alternatives.

What the OIG Found

The HCR Voyager Card Program implemented by the Postal Service is not effective and other options should be considered.

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OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Voyager Card Program – Capping Report

Management Advisory Report

Report Number
NO-MA-14-007

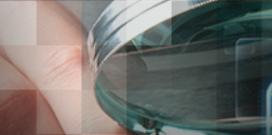
September 30, 2014





Does MODS Work Hour and Mail Volume Data Accurately Reflect Work Performed?

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Today



Project Title:
Management Operating Data
System (MODS) Errors and
Adjustments

Start Date:
Monday, August 6, 2018

Estimated Report Release Date:
January 2019

Does MODS Work Hour and Mail Volume Data Accurately Reflect Work Performed?

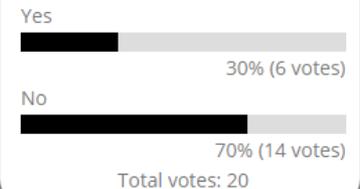
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The Management Operating Data System (MODS) provides data on workload, work hours, and machine-use. In addition to supporting operational planning, MODS data are used extensively in Postal Service costing and pricing activities. Supervisors may manually enter or adjust employee work hours and mail volume.

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How can the Postal Service put its excess space to good use?

Today

Timecard Adjustments at U.S. Postal Service Facilities in the Greater Boston District

Aug

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Report Number: HR-AR-18-007 | Type: [Audit Reports](#) | Category: [Human Resources](#) | 17 Comments

2018



Objective

This report responds to a request from U.S. Congressmen Michael Capuano and Stephen Lynch regarding unauthorized timecard manipulations that impacted employee workhours at selected U.S. Postal Service facilities in the Greater Boston District. Our objective was to assess whether timecard adjustments were conducted in accordance with Postal Service policy.

The Postal Service uses the Time and Attendance Collection System (TACS) to capture workhours employees spend on various post office operations. Employees record the amount of time and the operation they work by swiping electronic timecards on an electronic badge reader at each facility. Each swipe records time in TACS and is referred to as a clock ring.

A timecard adjustment occurs when a supervisor deletes, adds, or changes a clock ring in TACS to adjust an employee's combination of work and leave hours. Time may be disallowed when a supervisor observes or has proven knowledge that an employee did not work while "on the clock."

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Office of Inspector General | United States Postal Service

Audit Report

Timecard Adjustments at U.S. Postal Service Facilities in the Greater Boston District

Report Number HR-AR-18-007 | August 1, 2018



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February 26, 2010

JERRY LANE
VICE PRESIDENT, CAPITAL METRO AREA

SUBJECT: Audit Report – Capital Metro Area: Reducing Pieces at Risk
(Report Number DA-AR-10-001)

This report presents the results of our self-initiated audit related to Delivery Sorter (DBCS) pieces at risk¹ in the Capital Metro Area (Project Number 09YG041DA000). This review is part of our initiative to conduct risk-based continuous basis. Our objective was to identify opportunities to reduce DBC risk in the Capital Metro Area. The primary component of malpieces at risk mail that results in manual rehandling. See [Appendix A](#) for additional information this audit.

Conclusion

The U.S. Postal Service's annual pieces at-risk target for DBCS mail is 2 pe pieces handled. For the 2-year period ending September 30, 2009, Capital at risk averaged 3.1 percent, 55 percent higher than the target. Capital Metro processing plants did not achieve the pieces at-risk target, because electro technicians and maintenance supervisors were unaware of the manager maintenance order (MMO) used to diagnose and reduce DBCS pieces at risk. In addition, not all DBCS staff was properly trained, and maintenance supervisors ensure preventive maintenance routines were completed properly to bring a within operational quality standards.

As a result, the Capital Metro area incurred excess malpiece rejects that re manual processing. This cost the Capital Metro Area approximately \$1.0 m 2-year period ending September 30, 2009. The Capital Metro Area can avoid an additional \$1.1 million over the next 2 years by addressing these issues. [Appendix B](#) for our detailed analysis.

We recommend the area vice president, Capital Metro Area:

1. Instruct electronic maintenance technicians to adhere to Maintenance M Order MMO-044-07 when diagnosing Delivery Bar Code Sorter pieces at risk.
2. Instruct Delivery Bar Code Sorter operators to follow letter mail operation standards for quality.

¹ Pieces at Risk are malpieces that are at risk of not reaching their destination in their allocated time.

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Audit Report

Employee Issues at the Dickinson, North Dakota, Post Office

Report Number HR-AR-18-008 | August 10, 2018

Figure 1: Four Actuarial Methodologies

	Methodology	Description
1	Paid Loss Development	Forecasting the future payments that will be associated with injuries of various ages, by quarter, up to 40 quarters from the occurrence of injury.
2	Frequency and Severity	Forecasting the number of claims relative to the number of hours worked in a given quarter of injury and the average payment per claim.
3	Expected Unpaid	Forecasting based on the estimated unpaid amounts at 40 quarters plus what has been paid to date.
4	Trended Severity	Applying a selected severity trend rate to compensation and medical claims separately.

* Weights vary by injury age, from 1-40 quarters.
Source: OIG and USPS Workers' Compensation – Model Manual

